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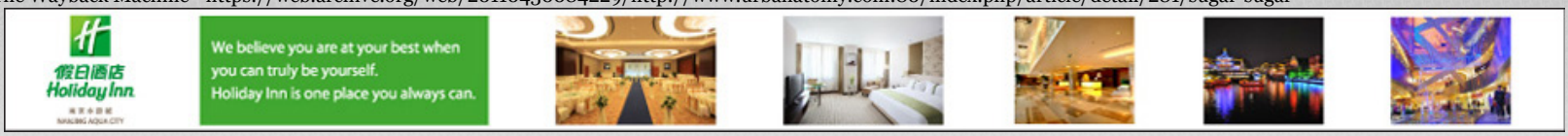
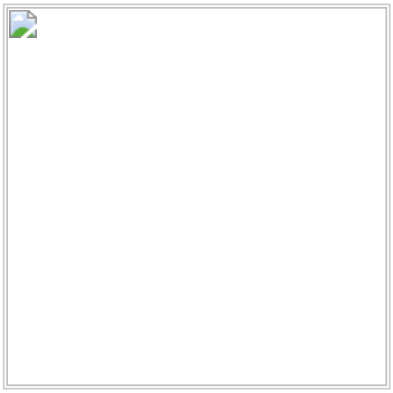


Sugar, sugar

by nickland @ Friday, 08 April 2011 10:33

Urban Future tends to resilient optimism about the broadest and deepest global trends, but there's some extremely menacing weather to pass through. Prime exhibit is this depiction of the public finances of the world's largest economy:



The Economic Collapse Blog makes the bearish case admirably:

"The US financial system is like a junkie that needs continually increasing amounts of 'junk' to get the same 'buzz'. So what is the US financial system addicted to? It is addicted to money and debt. For many years, whenever the Federal Reserve would lower interest rates or the US government would borrow and spend more money, the US economy would respond positively. But just like with any other kind of artificial stimulation, over time it has taken greater and greater amounts of debt and cheap money to get a response from our economic system. So yes, the fact that the official unemployment rate went down 0.1% last month is good news, but considering the massive amount of spending that the US government is doing and considering the gigantic quantity of money that the Federal Reserve is injecting into the financial system, the truth is that the unemployment rate should be falling much faster than that. So don't be fooled by the good economic numbers and don't be fooled by the financial 'sugar rush'. The US government and the Federal Reserve have been pulling out all the stops to stimulate the economy, and the fact that all of their efforts are barely moving the unemployment rate at all is an indication of just how far our economic situation has degenerated."

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The world's reserve currency is not in good hands, and Herbert Stein's famous Law is certain to b
something cannot go on forever, it will stop." To mix up some home-cooking metaphors, the fate
baked in the cake – it's toast.

Speaking for the prospects of its domestic US constituency, the folk at Economic Collapse are suit

"Our long-term economic future is completely gone. Our financial system is heading for a horrible
'if' it will happen, but rather 'when' …"

No one promised that the future would be born painlessly.

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